

Message Text

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PAGE 01 BUENOS 03696 302219Z

66

ACTION ARA-10

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-03 USIA-06

SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 FRB-03 /092 W

----- 127463

R 302140Z MAY 75

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 1359

LIMITED OFFICIAL USE BUENOS AIRES 3696

E. O. 11652: N/A

TAGS: ENRG, EINV, AR

SUBJECT: AMOCO'S PRICE NEGOTIATIONS WITH YPF

1. ON FRIDAY, MAY 23, AMOCO REP VISITED AMBASSADOR HILL TO REQUEST EMBASSY ASSISTANCE IN HELPING AMOCO REACH PRICE SETTLEMENT WITH YPF UNDER SERVICE CONTRACT FOR CRUDE PRODUCTION IN MENDOZA AREA. ACCORDING AMOCO REP, PRICE NEGOTIATIONS IN PROGRESS FOR MORE THAN YEAR WITH NO SATISFACTORY RESULTS THUS FAR, ALTHOUGH SURE PROGRESS MADE RECENTLY. MAJOR UNRESOLVED ISSUES INCLUDE BASE PRICE AND AGREEMENT ON FORMULA TO SOFTEN DEVALUATION IMPACT ON AMOCO'S LOCAL CURRENCY EARNINGS.

2. AMBASSADOR HILL SAID EMBASSY WOULD BE HAPPY TO TALK TO APPROPRIATE GOA OFFICIALS ON AMOCO'S BEHALF. FOLLOWING UP ON MAY 27 ECON COUNS AND EMBOFF HAD MEETINGS WITH NELLS LEON, UNDERSECRETARY OF ENERGY, MINISTRY OF ECONOMY. DEMARCHE WAS GENERAL AND LOW KEY. ECOM COUNS EXPRESSED HOPE THAT NEGOTIATIONS COULD BE SUCCESSFULLY COMPLETED, NOTING IMPORTANCE OF EXPANDING DOMESTIC PETROLEUM PRODUCTION AND INVESTMENT. UNDER-SECRETARY LEON WAS ESPECIALLY CORDIAL SAYING HE THOUGHT OUTSTANDING ISSUES COULD BE RESOLVED SHORTLY.

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PAGE 02 BUENOS 03696 302219Z

3. LOCAL AMOCO REP HAS BEEN INFORMED OF OUR DEMARCHE, AND

WILL KEEP US APPRISED OF ANY RESULTS.
MONTLLOR

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, NEGOTIATIONS, PRICES, SERVICE CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: woolflhd
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750190-0804
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Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
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Review Authority: woolflhd
Review Comment: n/a
Review Content Flags:
Review Date: 03 SEP 2003
Review Event:
Review Exemptions: n/a
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Review Markings:

Margaret P. Grafeld
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05 JUL 2006

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To: STATE
Type: TE
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